



HOUSE COMMITTEE ON APPROPRIATIONS

FY 09-10

Executive Budget Review

Louisiana Department of Education

Mr. Paul G. Pastorek, State Superintendent

Ms. Ollie S. Tyler, Deputy Superintendent



**The Louisiana Department of Education has
six agencies or budget units:**

19-678 – State Activities

19-681 – Subgrantee Assistance

19-682 – Recovery School Districts

19-695 – Minimum Foundation Program

19-697 – Nonpublic Educational Assistance

19-699 – Special School Districts



Executive Budget By Means of Finance

LOUISIANA DEPARTMENT OF EDUCATION					
Means of Financing (MOF)	Actual Expenditures FY 2007-08	Existing Operating Budget FY 2008-09 (2/1/09)	Executive Budget FY 2009-10	Change From FY 08-09 to FY 09-10	Percent Change From FY 08-09 to FY 09-10
State General Fund (SGF)	\$3,164,728,649	\$3,345,946,953	\$3,242,408,588	-\$103,538,365	-3.09%
Interagency Transfers (IAT)	\$505,277,303	\$368,589,876	\$342,365,449	-\$26,224,427	-7.11%
Fees & Self-gen Rev (SGR)	\$2,257,180	\$5,906,035	\$4,359,498	-\$1,546,537	-26.19%
Statutory Dedications (SD)	\$306,013,287	\$356,371,565	\$274,989,269	-\$81,382,296	-22.84%
Interim Emergency Board	\$0	\$0	\$0	\$0	0.00%
Federal Funds (FED)	\$1,082,695,191	\$1,014,738,090	\$1,086,833,130	\$72,095,040	7.10%
TOTAL MOF	\$5,060,971,610	\$5,091,552,519	\$4,950,955,934	-\$140,596,585	-2.76%
Authorized Positions	857	747	739	-8	-1.07%

Interagency Transfers are sent, for example, from DSS for TANF funds, from BESE for 8(g) funds and from the MFP to the RSD. Statutory Dedications, for example, are Lottery Proceeds Funds and SELF Funds in the MFP.

\$71.3 million Federal Funds from the American Recovery and Reinvestment Act of 2009 are included in the FY 09-10 Executive Budget Recommendation for the MFP.



Distribution of SGF in the DOE

Department of Education Budget Units	STATE GENERAL FUND (DIRECT)				FY09 to FY10 % Change
	Actual Expenditures FY 07-08	Existing Operating Budget FY 08-09 (02/01/09)	Executive Budget FY 09-10	Change from FY 08-09 to FY 09-10	
State Activities	\$57,353,392	\$66,648,867	\$65,863,745	-\$785,122	-1%
Subgrantee Assistance	\$169,622,982	\$214,079,848	\$148,311,071	-\$65,768,777	-31%
Recovery School Districts	\$9,743,758	\$24,019,333	\$19,715,449	-\$4,303,884	-18%
MFP	\$2,883,670,251	\$2,994,200,001	\$2,962,056,821	-\$32,143,180	-1%
Nonpublic Educational Assistance	\$31,043,081	\$32,746,572	\$32,746,572	\$0	0%
Special School Districts	\$13,295,185	\$14,252,332	\$13,714,930	-\$537,402	-4%
TOTAL	\$3,164,728,649	\$3,345,946,953	\$3,242,408,588	-\$103,538,365	-3%



Budget Summary for State Activities

19-678 State Activities	TOTAL MEANS OF FINANCE				FY09 to FY10 % Change
	Actual Expenditures FY 07-08	Existing Operating Budget FY 08-09 (02/01/09)	Executive Budget FY 09-10	Change from FY 08-09 to FY 09-10	
Executive Office	\$5,223,087	\$15,266,879	\$19,815,475	\$4,548,596	30%
Management-Finance	\$20,074,554	\$23,407,836	\$22,096,849	-\$1,310,987	-6%
Student-School Performance	\$54,820,835	\$52,328,534	\$41,261,787	-\$11,066,747	-21%
Quality Educators	\$13,896,463	\$17,651,596	\$26,067,470	\$8,415,874	48%
School-Community Support	\$16,862,734	\$20,030,706	\$17,825,607	-\$2,205,099	-11%
Regional Service Ctrs	\$8,182,573	\$9,318,789	\$9,321,408	\$2,619	0.03%
Auxiliary	\$82,010	\$310,043	\$310,043	\$0	0%
TOTAL	\$119,142,256	\$138,314,383	\$136,698,639	-\$1,615,744	-1%



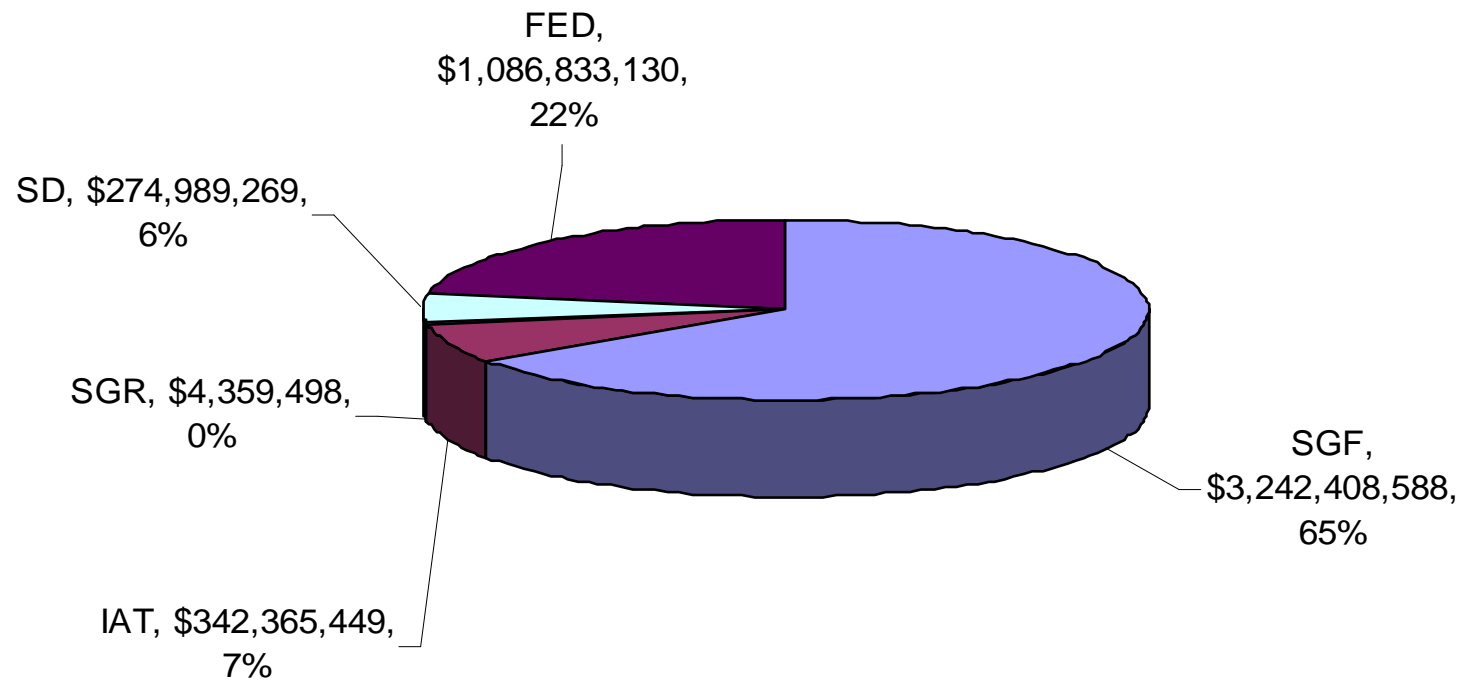
Position Summary for State Activities

19-678 State Activities	AUTHORIZED FULL-TIME EQUIVALENTS				
	Actual FY 07-08	Existing Operating Budget FY 08-09 (02/01/09)	Executive Budget FY 09-10	Change from FY 08-09 to FY 09-10	FY09 to FY10 % Change
Executive Office	57	69	88	19	28%
Management-Finance	167	159	150	-9	-6%
Student-School Performance	159	124	87	-37	-30%
Quality Educators	76	67	97	30	45%
School-Community Support	110	88	80	-8	-9%
Regional Service Ctrs	89	73	73	0	0%
Auxiliary	0	0	0	0	0%
TOTAL	658	580	575	-5	-1%

Position changes are a result of reductions and the Department of Education realignment



Department of Education FY 09-10 Means of Finance





Significant Budget Changes

\$1,661,256	Additional funding for classified employee merit increases and annualized merit increases for classified state employees (\$868,597 SGF, \$225,246 IAT, \$35,340 SGR, \$2,403 SD, \$529,670 FED)
(\$1,154,281)	Reduced funding for group insurance for active employees and retirees and reduction for group insurance base adjustment (-\$866,090 SGF, -\$200,776 IAT, \$2,191 SGR, \$130 SD, -\$89,736 FED)
\$14,211	Salary Base Adjustment (\$12,135 SGF, \$2,076 IAT)
(\$271,895)	Personnel Reductions including the reduction of four (4) authorized positions (-\$172,917 SGF, -\$35,669 IAT, -\$63,309 FED)



Significant Budget Changes

(\$29,778,057)	Non-recur Acquisitions, Major Repairs and Carryforward (-\$731,148 SGF, -\$26,253,580 IAT, -\$1,587,713 SGR, - \$15,616 SD, -\$1,190,000 FED)
\$299,411	Net Adjustment for additional funding for Legislative Auditor Fees, a reduction in rent in state-owned buildings and an increase in Uniform Payroll System fees and Office of Computing Services fees (\$249,075 SGF, - \$11,724 IAT, \$3,645 SGR, \$58,415 FED)
\$1,000,000 SGF	New funding for the Multiple Pathways project – the recruitment of business and industry professionals to teach in public secondary schools – in conjunction with expanding Career and Technical Trade and Industrial Education certificates and ancillary certificates



Significant Budget Changes

- \$580,000 SGF** **New funding for the Value Added Accountability project – development of a technical model to assess the effectiveness of Louisiana teachers in grades 4-9**
- \$5,400,951 SGF** **New funding for the MFP to allow for student adjustments (\$2.8 million) as well as for additional funding for Morehouse (\$1.6 million) and Union (\$1 million) Parishes school systems – this adjustment assumes the adoption of the BESE-adopted March 12, 2009, MFP**
- (\$6,500,000) SGF** **Reduction in SGF with Means of Finance substitution of \$5 million 8(g) SD and \$1.5 million TANF FED funds for the LA4 Early Childhood Program. The 8(g) funding may be problematic if it is deemed supplanting.**



Significant Budget Changes

- (\$37,544,131) SGF** Reduction in SGF with Means of Finance substitution of \$37.5 million Federal Funds from American Recovery and Reinvestment Act of 2009 for the MFP
- (\$33,755,869) SD** Reduction in Lottery Proceeds Funds (\$15 million) and SELF Funds (\$18 million) with Means of Finance substitution of \$33.7 million Federal Funds from American Recovery and Reinvestment Act of 2009 for the MFP
- (\$195,000)** Eliminate SGF and non-recur Overcollections Fund SD for St. Mary's Residential Training School (\$-100,000 SGF and -\$95,000 SD)
- (\$71,250) SD** Non-recur Overcollections Fund SD for VSA Arts



Significant Budget Changes

- (\$48,600,000) SD Non-recur Mega-project Development Fund for the \$1,000 one-time salary supplement for public school support workers and nonpublic lunch room workers**

- (\$234,610) SGF Delete SGF funding for the operation of the Bunkie Youth Center**

- (\$514,000) SGF Delete SGF funding for WorldBook and GALE-Group on-line information for public and nonpublic students and teachers – 24 hours a day – seven days a week**

- (\$1,159,237) SGF Delete SGF for Community Based Tutorial program. School systems may partner with community-based organizations for TANF funds to operate after-school programs**



Significant Budget Changes

- | | |
|--------------------------|--|
| (\$144,500) SGF | Delete SGF funding for paraprofessional stipends |
| (\$1,250,000) SGF | Delete SGF funding for school counselor stipends |
| (\$1,000,000) SGF | Delete SGF funding for school psychologist stipends |
| (\$1,500,000) SGF | Delete SGF funding for school social worker stipends |
| (\$2,443,350) SGF | Delete SGF funding for school speech-pathologists and audiologists stipends |
| (\$500,000) SGF | Reduce funding for Teach for America |
| (\$503,000) SGF | Delete SGF funding for LA Leadership for Excellence Program |



Significant Budget Changes

- (\$3,871,871) SGF** Eliminate SGF funding for Louisiana Teacher Assistance and Assessment Program
- (\$597,000) SGF** Delete SGF funding for LINCS (Learning Intensive Networking Communities for Success)
- (\$5,000,000) SGF** Delete SGF funding for the credit recovery portion of High School Redesign
- (\$16,396,149) SGF** Delete SGF funding for High Stakes Remediation and LEAP 21 Tutoring
- (\$6,437,819) SGF** Delete SGF funding for K-3 Reading Program



Significant Budget Changes

- (\$4,669,000) SGF Delete SGF funding for Accountability Rewards – however there are no funds to delete**
- (\$647,338) SGF Delete SGF funding for Alternative Schools-Memorandum of Understanding projects**
- (\$1,400,000) SGF Reduce SGF funding for High School Redesign**
- (\$10,000,000) SGF Delete SGF funding for Flexible Pay Initiative begun in FY 08-09**
- (\$1,000,000) SGF Delete SGF funding for Principal Matching Foundation – New Orleans Initiative funded since FY 07-08**



Significant Budget Changes

- (\$4,000,000) SD Reduce Academic Improvement Fund SD to reflect expended portion for student scholarships in the New Orleans area in RSD budget**
- (\$4,250,000) SGF Reduce SGF funding for extended day and year programs at the RSD**

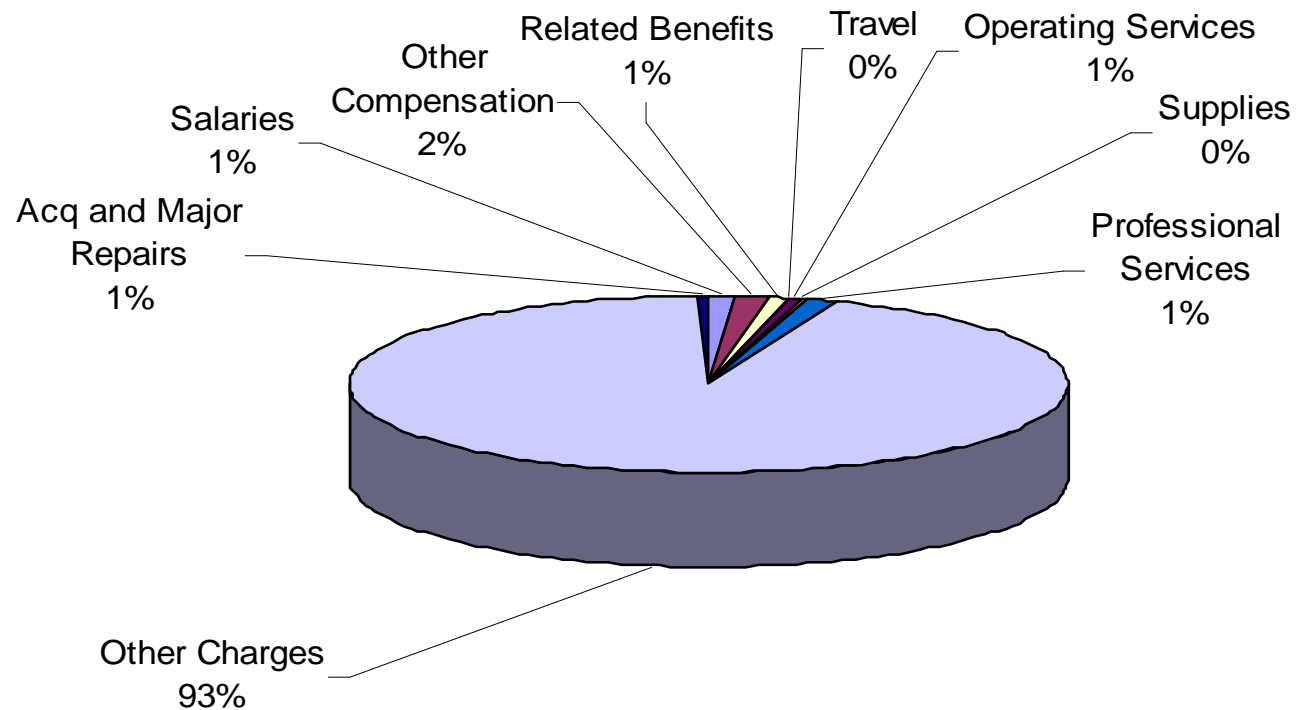


FY 09-10 Executive Budget by Expenditure Line Item

Louisiana Department of Education					
Expenditures	FY 07-08 Actual Budget	FY 08-09 Existing Operating Budget	FY 09-10 Executive Budget	Change from FY 08-09 to FY 09-10	Percent Change
Salaries	\$41,922,543	\$47,964,010	\$48,281,403	\$317,393	0.7%
Other Compensation	\$89,055,860	\$88,552,859	\$88,305,353	-\$247,506	-0.3%
Related Benefits	\$38,803,574	\$37,583,866	\$37,124,325	-\$459,541	-1.2%
Travel	\$3,125,951	\$3,539,651	\$3,374,399	-\$165,252	-4.7%
Operating Services	\$62,412,888	\$28,745,202	\$27,703,555	-\$1,041,647	-3.6%
Supplies	\$28,797,095	\$18,968,252	\$17,705,171	-\$1,263,081	-6.7%
Prof Svcs	\$80,827,835	\$73,594,299	\$67,202,740	-\$6,391,559	-8.7%
Other Charges	\$4,563,817,257	\$4,737,034,438	\$4,628,013,716	-\$109,020,722	-2.3%
Acq/Major Repairs	<u>\$152,208,606</u>	<u>\$55,569,942</u>	<u>\$33,245,272</u>	<u>-\$22,324,670</u>	-40.2%
TOTAL EXP	\$5,060,971,609	\$5,091,552,519	\$4,950,955,934	-\$140,596,585	-2.8%



Department of Education FY 09-10 Line Item Expenditures





DOE Discretionary and Non-Discretionary Funding in FY 09-10 Executive Budget

Discretionary	\$1,639,792,406	33.12%
Non-Discretionary	\$3,311,163,528	66.88%
Total	\$4,950,955,934	100.00%

Non-discretionary funding within DOE's FY 09-10 Executive Budget Recommendation is primarily due to the MFP



Statutory Dedications

LOUISIANA DEPARTMENT OF EDUCATION Statutory Dedication Comparison					
Statutory Dedications	FY 07-08 Actual Expenditures	FY 08-09 Existing Operating Budget 2/1/09	FY 09-10 Executive Budget	Change FY 08-09 to FY 09-10	Percent Change
Academic Improvement Fund	\$28,691,077	\$10,965,616	\$6,000,000	-\$4,965,616	-45.3%
Education Excellence Fund	\$16,923,887	\$20,128,497	\$21,255,153	\$1,126,656	5.6%
LA Lottery Proceeds Fund	\$134,100,000	\$140,562,787	\$125,300,000	-\$15,262,787	-10.9%
8(g) LA Quality Education Support	\$0	\$0	\$5,000,000	\$5,000,000	100.0%
Mega-Project Development Fund	\$0	\$48,600,000	\$0	-\$48,600,000	-100.0%
Motorcycle Safety and Trng	\$117,914	\$124,333	\$126,866	\$2,533	2.0%
Overcollections Fund	\$0	\$190,000	\$0	-\$190,000	-100.0%
St. Landry Parish Excellence Fund	\$442,164	\$622,250	\$622,250	\$0	0.0%
Support Education in LA First	\$125,738,245	\$135,178,082	\$116,685,000	-\$18,493,082	-13.7%
TOTAL	\$306,013,287	\$356,371,565	\$274,989,269	-\$81,382,296	-22.8%



Dedications

Academic Improvement Fund R.S.17:354

- Monies in the fund “shall be available exclusively for programs which provide opportunities to students to acquire the skills to achieve academic success and become employable, productive and responsible citizens”
- Recommended in the Executive Budget at \$6 million for continuation of student scholarships in the New Orleans area

Education Excellence Fund Const. Art. VII, Section 10.8

- One-third of the Millennium Trust dedicated to public and nonpublic elementary and secondary education
- Recommended in the Executive Budget at \$21 million



Dedications

Lottery Proceeds Fund Const. Art. XII Section 6

- Shall annually be appropriated only for the MFP and no more than \$500,000 for compulsive and problem gaming services
- Recommended in the Executive Budget at \$125 million for MFP

8(g) LA Quality Education Support Fund Const. Art. VII Section 10.1

- Annually appropriated to Board of Regents and Board of Elementary and Secondary Education
- Recommended in the Executive Budget at \$5 million for LA4
- DOE also receives 8(g) funds as Interagency Transfers from BESE for other activities



Dedications

Mega-Project Development Fund R.S. 51:2365

- FY 08-09 provided a \$1,000 one-time pay supplement for school support and nonpublic lunchroom employees
- Non-recurred \$48.6 million in the Executive Budget preparation

Motorcycle Safety, Awareness and Operator Training Program Fund R.S. 32:412

- Derived from a motorcycle or motor scooter endorsement to a basic license
- Recommended in the Executive Budget at \$126,866



Dedications

St. Landry Parish Excellence Fund R.S. 27:392

- Recommended in the Executive Budget at a continuation of the 08-09 amount, \$622,250

Support Education in Louisiana First Fund R.S. 17:421.7

- Derived from riverboat and casino gaming revenues
- Appropriated for faculty and public elementary and secondary certificated pay raise funding since FY 01-02



Louisiana Department of Education

FY 09-10 SALARIES/POSITIONS

\$136 million for Salaries and Other Compensation and \$37 million for Related Benefits. Total Personal Services = \$173 million, 3.5% of the total Executive Budget Recommendation.

- Average Salary for DOE = \$63,184
- 739 Authorized Positions (528 classified and 211 unclassified)
- As of 4/15/09, DOE had 17 vacancies